

## Message Text

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17  
ACTION EA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 IO-10

OMB-01 EB-07 AID-05 /077 W  
----- 061549

R 070433Z MAR 75  
FM AMEMBASSY VIENTIANE  
TO SECSTATE WASHDC 2804  
INFO AMEMBASSY BANGKOK  
CINCPAC

C O N F I D E N T I A L VIENTIANE 1636

E.O. 11652: GDS  
TAGS: PGOV, PINS, PINT, LA  
SUBJECT: TALK WITH FINANCE MINISTER

1. FINANCE MINISTER NGON SANANIKONE MADE THE FOLLOWING  
COMMENTS IN THE COURSE OF A TALK YESTERDAY.

2. SUBSIDY TO PATHET LAO. NGON SAID THAT HE WAS EM-  
BARRASSED BY THE ERROR HE HAD MADE IN AUTHORIZING A  
50 MILLION KIP SUBSIDY TO THE PATHET LAO (VIENTIANE 901  
AND 1024 - NOTAL). HE HAD BEEN ROUNDLY CRITICIZED BY  
HIS FRIENDS ON THE VIENTIANE SIDE AND REALIZED THAT  
HIS AMERICAN FRIENDS THOUGHT HE COULD HAVE HANDLED  
THIS MORE ASTUTELY. I TOLD NGON THAT SINCE OUR LAST  
MEETING, I HAD DISCUSSED THE SUBSIDY WITH FONMIN PHOUMI  
AS WELL AS WITH THE SOVIET AMBASSADOR EXPLAINING  
TO THEM THE CONCERN OF THE VIENTIANE SIDE THAT THIS  
SUM WOULD BE USED TO PAY HIGHER SALARIES TO PATHET  
LAO SOLDIERS THAN WERE RECEIVED BY FAR. I HAD ALSO  
STRESSED THE OPPORTUNITY THIS SUBSIDY PROVIDED FOR  
TRUE INTEGRATION OF THE JOINT POLICE AND MIXED FORCES  
BY ESTABLISHING IDENTICAL SALARY SCALES. I SAID  
THAT I HAD RECEIVED NO RESPONSE FROM PHOUMI ON THIS  
IDEA BUT THE SOVIET AMBASSADOR WAS UNDER THE IM-  
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PRESSION THAT THE 50 MILLION KIP WAS A ONE TIME

SHOT IN THE ARM AND NOT A MONTHLY SUBSIDY. NGON REPLIED THAT THE SOVIET AMBASSADOR WAS MISTAKEN AND HE HAD BEEN APPROACHED ONLY THE DAY BEFORE BY THE PATHET LAO FOR ANOTHER 50 MILLION KIP ADVANCE. NGON HAD TOLD THEM THAT NO FUNDS WOULD BE FORTHCOMING UNTIL THEY ACCOUNTED FOR THE PREVIOUS 50 MILLION.

3. ROLE OF PRINCE BOUN OUM. NGON SAID THERE HAD BEEN SENSITIVE DISCUSSION IN THE VIENTIANE SIDE REGARDING THE PROBLEMS IN THE SOUTH AND SPECIFICALLY THE TRIAL OF STUDENT LEADER KHAMPHAY FOR CARRYING A WEAPON AND FOR MALIGNING PRINCE BOUN OUM. HE SAID THAT THE VIENTIANE SIDE CONCLUDED THAT BOTH PRINCE BOUN OUM AND KHAMPHAY WERE CULPABLE. PRINCE BOUN OUM'S WIDELY KNOWN CORRUPT PRACTICES LEFT HIM WIDE OPEN TO CRITICISMS OF THIS KIND. ON THE OTHER HAND, IT WAS CONTRARY TO LAO CUSTOM AND LAW TO PERMIT DEFAMATION OF THE ROYAL FAMILY AND OTHER NOTABLES. NGON THEN SPOKE VERY CANDIDLY ABOUT THE DAMAGE BEING DONE TO THE VIENTIANE SIDE BY PRINCE BOUN OUM AND HIS ASSOCIATES WHOSE FEUDAL OUTLOOK AND GREED WERE CERTAIN TO PROVOKE JUSTIFIED POLITICAL DISTURBANCES. HE SAID THAT IT WAS IMPOSSIBLE TO CHANGE PRINCE BOUN OUM AND THAT NO ONE IN THE KINGDOM COULD GET HIM TO MODERATE HIS BEHAVIOR.

4. NEUTRALIZATION OF THAKHEK. NGON SAID ZMHAT THE VIENTIANE SIDE WAS NOT DISTURBED BY THE AGREEMENT APPROVED BY MINISTER OF INTERIOR PHENG PHONGSAVAN ACCORDING TO WHICH THAKHEK WOULD BE "NEUTRALIZED" IN THE AFTERMATH OF RECENT DISTURBANCES THERE. IN HIS VIEW THIS AGREEMENT MERELY NOTED THE DESIRE OF THE PATHET LAO TO NEUTRALIZE THE TOWN AND IF THE PL ATTEMPTED TO PURSUE THIS MATTER FURTHER AND TO PLACE LPF TROOPS IN THE AREA, THE VIENTIANE SIDE WOULD PREVENT THEIR DOING SO BY POINTING OUT THAT SUCH A DEPLOYMENT WAS CONTRARY TO THE VIENTIANE AGREEMENT AND PROTOCOL.

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## Message Attributes

**Automatic Decaptioning:** X  
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**Draft Date:** 07 MAR 1975  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
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**Subject:** TALK WITH FINANCE MINISTER  
**TAGS:** PGOV, PINS, PINT, MCAP, MASS, LA, PATHET LAO, (NGON SANANIKONE)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006